

AMENDED IN ASSEMBLY AUGUST 13, 2013

AMENDED IN SENATE APRIL 30, 2013

AMENDED IN SENATE APRIL 17, 2013

SENATE BILL

No. 284

Introduced by Senator De León

February 14, 2013

An act to add and repeal Sections 17053.86 and 23686 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 284, as amended, De León. Income taxes: credits: contributions to education funds.

The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws.

This bill, under both laws, for taxable years beginning on or after January 1, 2014, and before January 1, 2017, would allow a credit equal to a certain percentage of a contribution to the College Access Tax Credit Fund, established by this bill, for specified education purposes, as provided. This bill would specify that the aggregate amount of credit that may be allocated under both laws shall not exceed \$500,000,000 for each calendar year, as specified, and would require the California Educational Facilities Authority to perform certain duties with regard to allocating and certifying the tax credits allowed under these provisions.

This bill would become operative only if SB 285 of the 2013–14 Regular Session is enacted and takes effect on or before January 1, 2014.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17053.86 is added to the Revenue and
2 Taxation Code, to read:
3 17053.86. (a) (1) For taxable years beginning on or after
4 January 1, 2014, and before January 1, 2017, there shall be allowed
5 as a credit against the “net tax,” as defined in Section 17039, an
6 amount equal to the following:
7 (A) For each taxable year beginning on and after January 1,
8 2014, and before January 1, 2015, 60 percent of the amount
9 contributed by the taxpayer for the 2014 taxable year to the College
10 Access Tax Credit Fund, as allocated and certified by the California
11 Educational Facilities Authority.
12 (B) For each taxable year beginning on and after January 1,
13 2015, and before January 1, 2016, 55 percent of the amount
14 contributed by the taxpayer for the 2015 taxable year to the College
15 Access Tax Credit Fund, as allocated and certified by the California
16 Educational Facilities Authority.
17 (C) For each taxable year beginning on and after January 1,
18 2016, and before January 1, 2017, 50 percent of the amount
19 contributed by the taxpayer for the 2016 taxable year to the College
20 Access Tax Credit Fund, as allocated and certified by the California
21 Educational Facilities Authority.
22 (2) Contributions shall be made only in cash.
23 (b) (1) The aggregate amount of credit that may be allocated
24 and certified pursuant to this section and Section 23686 shall be
25 an amount equal to the sum of all of the following:
26 (A) Five hundred million dollars (\$500,000,000) in credits for
27 the 2014 calendar year and each calendar year thereafter.
28 (B) The amount of previously unallocated and uncertified
29 credits.
30 (2) (A) For purposes of this section, the California Educational
31 Facilities Authority shall do all of the following:
32 (i) On or after January 1, 2014, and before January 1, 2017,
33 allocate and certify tax credits to taxpayers under this section.
34 (ii) Establish a procedure for taxpayers to contribute to the
35 College Access Tax Credit Fund and to obtain from the California

1 Educational Facilities Authority a certification for the credit
2 allowed by this section. The procedure shall require the California
3 ~~Education~~ *Educational* Facilities Authority to certify the
4 contribution amount eligible for credit within 45 days following
5 receipt of the contribution.

6 (iii) Provide to the Franchise Tax Board a copy of each credit
7 certificate issued for the calendar year by March 1 of the calendar
8 year immediately following the year in which those certificates
9 are issued.

10 (B) (i) The California Educational Facilities Authority shall
11 adopt any regulations necessary to implement this paragraph.

12 (ii) Chapter 3.5 (commencing with Section 11340) of Part 1 of
13 Division 3 of Title 2 of the Government Code does not apply to
14 any regulation adopted by the California Educational Facilities
15 Authority pursuant to clause (i).

16 (c) (1) In the case where the credit allowed by this section
17 exceeds the “net tax,” the excess may be carried over to reduce
18 the “net tax” in the following year, and succeeding five years if
19 necessary, until the credit is exhausted.

20 (2) A deduction shall not be allowed under this part for amounts
21 taken into account under this section in calculating the credit
22 allowed by this section.

23 (d) (1) The College Access Tax Credit Fund is hereby created
24 as a special fund in the State Treasury. All revenue in this special
25 fund shall be allocated as follows:

26 (A) First to the General Fund in an amount equal to the
27 aggregate amount of certified credits allowed pursuant to this
28 section and Section 23686 for the taxable year.

29 (B) Second, upon appropriation, as follows:

30 (i) To the Franchise Tax Board, the California Educational
31 Facilities Authority, the Controller, and the Student Aid
32 Commission for reimbursement of all administrative costs incurred
33 by those agencies in connection with their duties under this section,
34 Section 23686, and Section 69432.7 of the Education Code.

35 (ii) To the Student Aid Commission for purposes of awarding
36 Cal Grants to students pursuant to Section 69432.7 *of the Education*
37 *Code*.

38 (2) The tax credit allowed by subdivision (a) of this section and
39 subdivision (a) of Section 23686 for donations to the College

1 Access Tax Credit Fund shall be known as the College Access
2 Tax Credit.

3 (e) This section shall remain in effect only until December 1,
4 2017, and as of that date is repealed.

5 SEC. 2. Section 23686 is added to the Revenue and Taxation
6 Code, to read:

7 23686. (a) (1) For each taxable year beginning on or after
8 January 1, 2014, and before January 1, 2017, there shall be allowed
9 *as* a credit against the “tax,” as defined in Section 23036, an
10 amount equal to the following:

11 (A) For taxable years beginning on and after January 1, 2014,
12 and before January 1, 2015, 60 percent of the amount contributed
13 by the taxpayer for the 2014 taxable year to the College Access
14 Tax Credit Fund, as allocated and certified by the California
15 Educational Facilities Authority.

16 (B) For taxable years beginning on and after January 1, 2015,
17 and before January 1, 2016, 55 percent of the amount contributed
18 by the taxpayer for the 2015 taxable year to the College Access
19 Tax Credit Fund, as allocated and certified by the California
20 Educational Facilities Authority.

21 (C) For taxable years beginning on and after January 1, 2016,
22 and before January 1, 2017, 50 percent of the amount contributed
23 by the taxpayer for the 2016 taxable year to the College Access
24 Tax Credit Fund, as allocated and certified by the California
25 Educational Facilities Authority.

26 (2) Contributions shall be made only in cash.

27 (b) (1) The aggregate amount of credit that may be allocated
28 and certified pursuant to this section and Section 17053.86 shall
29 be an amount equal to the sum of all of the following:

30 (A) Five hundred million dollars (\$500,000,000) for the 2014
31 calendar year and each calendar year thereafter.

32 (B) The amount of previously unallocated and uncertified
33 credits.

34 (2) (A) For purposes of this section, the California Educational
35 Facilities Authority shall do all of the following:

36 (i) On or after January 1, 2014, and before January 1, 2017,
37 allocate and certify tax credits to taxpayers under this section.

38 (ii) Establish a procedure for taxpayers to contribute to the
39 College Access Tax Credit Fund and to obtain from the California
40 Educational Facilities Authority a certification for the credit

1 allowed by this section. The procedure shall require the California
2 ~~Education~~ *Educational* Facilities Authority to certify the
3 contribution amount eligible for credit within 45 days following
4 receipt of the contribution.

5 (iii) Provide to the Franchise Tax Board a copy of each credit
6 certificate issued for the calendar year by March 1 of the calendar
7 year immediately following the year in which those certificates
8 are issued.

9 (B) (i) The California Educational Facilities Authority shall
10 adopt any regulations necessary to implement this paragraph.

11 (ii) Chapter 3.5 (commencing with Section 11340) of Part 1 of
12 Division 3 of Title 2 of the Government Code does not apply to
13 any regulation adopted by the California Educational Facilities
14 Authority pursuant to clause (i).

15 (c) (1) In the case where the credit allowed by this section
16 exceeds the “tax,” the excess may be carried over to reduce the
17 “tax” in the following year, and succeeding five years if necessary,
18 until the credit is exhausted.

19 (2) A deduction shall not be allowed under this part for amounts
20 taken into account under this section in calculating the credit
21 allowed by this section.

22 (d) This section shall remain in effect only until December 1,
23 2017, and as of that date is repealed.

24 SEC. 3. This act shall become operative only if Senate Bill
25 285 of the 2013–14 Regular Session is enacted and takes effect
26 on or before January 1, 2014.